

FISCAL NOTE

SB 2920 - HB 2955

March 2, 2002

SUMMARY OF BILL: Requires essential access payments to TennCare providers will be paid only to hospitals that have a 15% or greater TennCare utilization based on information in the joint annual report. Hospitals would be disqualified for payment if they were not participating in TennCare at the time of payment or if they have not reported the required joint annual report information.

Payments would be made only to hospitals with TennCare business of 15% or more. Per day rates of \$400 are paid to those with 15% to 25% and \$600 for those greater than 25%. The resulting amounts for each qualifying hospital would be added together and would be the basis for the pro rata allocation of funds made available for distribution.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Could increase state expenditures to the extent that the reimbursement formula, required by the bill, exceeds the budgeted amount for essential provider payments based on uncompensated care. To the extent this occurs, the amount of increase in state expenditures is estimated to be significant.

Estimate assumes

- Because no limit is imposed that essential provider payments be based on the amount of uncompensated care, total payments could increase because of the formula. The current appropriation for essential provider payments is \$40 million.
- Could increase state expenditures if the Federal government refused to participate because of the reimbursement formula. The current waiver request includes a \$100 million payment with Federal participation.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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